

# Exhibit 7

## **APPENDIX**

### **MODIFIED MEMBER CLUB AGREEMENT OF MARCH 7, 1988**

*[Set forth below is the Modified Member Club Agreement  
("MMCA") agreed to by all 21 NHL Member Clubs on March 7, 1988.]*

I. Member Club Agreement ("TWX AGREEMENT") of November 30, 1984 (as amended December 5, 1984 and December 20, 1984), with below modifications, continues indefinitely but may be terminated by a majority vote of both Canadian and U.S. Member Clubs. Termination is effective as of the latest expiration date of any League broadcast contract in place at the time of the termination vote.

- (a) League Generated Revenues (LGR), as defined infra, shall be divided among the Member Clubs equally.
- (b) LGR shall be revenue from:
  - Transborder Agreement(s)
  - New Canadian National Agreements—TV
  - New Canadian National Agreements—Cable
  - U.S. National—Cable, Major Network or TVRO
- (c) Rights available for sale shall be described in *Exhibit "A"* entitled "*Canada National Broadcast*" and *Exhibit "B"* entitled "*United States National Cable*."
- (d) *Indemnity*. Individual Canadian Member Clubs may, at their option, be indemnified from the pool of all LGR as against the loss of present broadcast revenues position. Said position would be the difference between "Indemnity Base" and new local contract broadcast revenues.

"Indemnity Base" is as set forth in *Exhibit "C"*, which reflects 1987-88 existing broadcast contract amounts, actual or agreed upon for purposes of this indemnity, less \$238,923 (US). Said amount has been calculated as follows:

- (i) The difference between 1/21 of the \$8,000,000 and 1/63 of \$8,000,000 (US).
- (ii) From this difference, there has been subtracted same calculation as to 1987-88 TSN rights payment (\$625,000—CDLRS).

Upon expiry of present individual Canadian club agreements, League will assist Canadian Member Clubs in maximizing possible revenues. In order for a Member Club to qualify for an indemnity, NHL must first be offered opportunity to match the last offer received by the club for all local rights, provided that the number of regular season home games that can be included shall be limited to the greater of:

- (i) the number of regular season home games offered by the club to a third party, or
- (ii) the number of regular season home games authorized to be telecast in any of the 1984-85, 1985-86, 1986-87 or 1987-88 seasons.

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- (e) Should any LGR rights purchaser also have broadcast agreements with any Member Club, a condition of the LGR purchase shall be that the LGR rights purchaser shall not diminish, withhold or otherwise dilute any amounts payable to such club.
- (f) Approval of League agreements as outlined in (b) above shall be by a two-thirds vote of the Member Clubs.
- (g) Border Member Clubs shall receive no less favorable protection than under present agreements.
- h) U.S. Broadcast Regulations shall maintain for the period of the agreement. Club pool revenues under Regulations A(4) and (5) shall be allocated on an equal basis to all NHL clubs.
- (i) Copyright Tribunal revenues shall be shared equally.
- 2. Effective date of this MMCA shall be the start of the 1988-89 season.

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#### ***EXHIBIT "A"***

#### ***CANADA NATIONAL BROADCAST***

##### ***1. Regular Season***

- (a) Right to have two nights for national packages per week per language per market.
- (b) Home-standing team retains its blackout right in home territory.
- (c) Network not blacked out by Canadian visitor telecast back to its home territory—both may telecast same game in that market.

##### ***2. Playoff***

- (a) In the event there is more than one rightsholder, a procedure shall be established for selection of pairings by rightsholders and/or in Finals, selection of games.
- (b) Network is not blacked out throughout.
- (c) In first two rounds, teams may mount local telecasts of their games irrespective of network activity.
- (d) In Conference Championships and Finals, network preempts any local telecasts. Any team playing in the Conference Championships or Finals may telecast its game in its home territory if the network is not telecasting that game in said home territory.

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#### ***EXHIBIT "B"***

#### ***UNITED STATES NATIONAL CABLE***

##### ***1. Contents***

- (a) Up to 33 regular season games.
- (b) The All-Star Game.
- (c) All Playoff games are available, with the obligation to distribute all Finals and all Conference Championship games, if not on same night.

##### ***2. Restrictions***

All cablecasts subject to same restrictions as contained in 1985-1988 ESPN agreement, provided that all Member Clubs may exploit their home games by means of non-standard television distribution in any geographic location or locations in which the relevant club has marketed its games or which are substantially contiguous to a Member Club's Sphere of Influence. Any non-standard showing of home games in locations so added after the date of the new Member Club Agreement may be subject to preemption by the League's designated cable network in the event that the relevant club's home game is being cablecast.

##### ***3. Blackout Definitions***

Blackout shall be as follows:

- (a) The home territory of each of the two teams being nationally cablecast shall be totally blacked out. Home Territory is defined as a fifty-mile radius of the city of franchise.
- (b) This blackout is to be extended to include any cable system that may be outside of this home territory but within a team's Sphere of Influence—as shown in the Interclub Broadcast Regulations—with which the team has made arrangements for the regular carriage of a proprietary signal of its game.

##### ***4. Penalties***

There shall be an agreed-upon penalty provision for blackout violation which shall include NHL ability to require national cable to cease distribution to an offending cable system after multiple violations. There shall be a reciprocal penalty if our clubs violate territory or Sphere of Influence distribution.

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*5. Major networks*

NHL may authorize carriage of one or more Stanley Cup games by one of the three U.S. over-the-air networks—subject to an agreed-upon reduction in the national cable fee.

*6. Talent and Production*

The national distributor shall provide first-class, "network" quality production, and the League shall have reasonable right of approval of air talent.

*7. Continuation*

The NHL may offer a good faith exclusive negotiating period.

*8. Team Activity*

Except as noted above, nothing in this agreement shall prevent any NHL team from arranging carriage of its home and away games on its usual TV station or non-standard TV system.

*9. Outside United States*

The League shall retain exclusive right to sell all Playoff games outside North America and the national distributor shall make a clean feed with international sound available to the NHL for this purpose.

**APPENDIX****MODIFIED MEMBER CLUB AGREEMENT  
OF MARCH 7, 1988****EXHIBIT "C"****CANADIAN DOLLARS**

	<i>Contract Actual Or Agreed Upon Figure</i>	<i>Less Formula* in Paragraph 1(d)(i) &amp; (ii)</i>	<i>Resulting Indemnity Base</i>	<i>Final Season of Current Agreement</i>
Calgary	\$ 2,200,000	\$ 300,000	\$ 1,900,000	1989-90
Edmonton	2,200,000	300,000	1,900,000	1991-92
Montreal	3,100,000	300,000	2,800,000	1987-88
Quebec	3,100,000	300,000	2,800,000	1987-88
Toronto	3,900,000	300,000	3,600,000	1994-95
Vancouver	3,200,000	300,000	2,900,000	1987-88
Winnipeg	<u>1,700,000</u>	<u>300,000</u>	<u>1,400,000</u>	1990-91
	\$19,400,000	\$2,100,000	\$17,300,000	

\* Converted from U.S. dollars at \$1.26.